

DAVID J. STOCK (SBN 85655)
MICHELLE C. TING (SBN 228963)
**RANKIN, LANDSNESS, LAHDE,
SERVERIAN & STOCK**
96 North Third Street, Suite 500
San Jose, California 95112
Telephone: (408) 293-0463
Facsimile: (408) 293-9514

Attorneys for Defendants
LEWIS FAMILY ENTERPRISES, INC. and
STEVEN ROBERT LEWIS

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

FORD MOTOR CREDIT COMPANY,
LLC, a Delaware Limited Liability
Company,

Plaintiff,

vs.

LEWIS FAMILY ENTERPRISES,
INC., dba BOB LEWIS LINCOLN
MERCURY, a California corporation,
and STEVEN ROBERT LEWIS, an
individual,

Defendants.

Case No.: C 07-03301 JW

**DECLARATION OF DAVID J. STOCK IN
SUPPORT OF DEFENDANTS'
APPLICATION TO SET ASIDE CLERK'S
ENTRIES OF DEFAULT**

Hearing Date: October 15, 2007
Hearing Time: 9:00 a.m.
Courtroom: 8, 4th Floor
Judge: Honorable James Ware

I, David J. Stock, hereby declare as follows:

1. I am an attorney duly admitted and authorized to practice law in the State of California, and before the United States District Court, Northern District of California. I am a member of the law firm of Rankin, Landsness, Lahde, Serverian & Stock, counsel for Defendants Lewis Family Enterprises, Inc. and Steven Robert Lewis ("Defendants").

2. On August 8, 2007, I wrote to Donald H. Cram, III, Esq., counsel for Plaintiff Ford Motor Credit Company, LLC ("Plaintiff"), to set forth Defendants' understanding that Plaintiff would take no further action as to the defaults entered by the Clerk or the order for writ of possession in light of the then-continuing buy-sell negotiations concerning the

1 Ford Lincoln Mercury dealership operated by Defendants. A true and correct copy of my
2 August 8, 2007 letter is attached hereto as Exhibit A and is incorporated herein by this
3 reference.

4 3. In response thereto, or on August 9, 2007, I received a letter from Mr. Cram,
5 disagreeing with the alleged representations made to Defendants by Plaintiff as
6 delineated in my August 8, 2007 letter. A copy of Mr. Cram's August 9, 2007 letter is
7 attached hereto as Exhibit B and is incorporated herein by this reference.

8 I declare under penalty of perjury under the laws of the United States and of the
9 State of California that the foregoing is true and correct. Executed this 7th day of
10 September 2007 at San Jose, California.

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David J. Stock

Exhibit A

LAW OFFICES
RANKIN, LANDSNESS, LAHDE,
SERVERIAN & STOCK
A LAW CORPORATION

MICHAEL C. SERVERIAN
DAVID J. STOCK
JON A. HEABERLIN
MICHELLE C. TING

96 NORTH THIRD STREET, SUITE 500
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TELEPHONE: (408) 293-0463
FACSIMILE: (408) 293-9514
E-MAIL: rankinlaw@rlss.com
Website: www.rlss.com

MAURICE J. RANKIN (1888-1975)
G. DAVID LANDSNESS (1944-1997)

BERNARD P. LAHDE (Ret.)

SAN CARLOS OFFICE
939 LAUREL STREET, SUITE D
SAN CARLOS, CALIFORNIA 94070

August 8, 2007

Donald H. Cram, III, Esq.
Severson & Werson
One Embarcadero Center, 26th floor
San Francisco, CA 94111

Re: Ford Motor Credit Company, LLC v. Lewis Family Enterprises, Inc., et al.

Dear Mr. Cram:

We have been asked to correspond and memorialize the representations made to Steven Lewis by Phil Ward regarding Ford Motor Credit Company's intent to take no further action on any Writ, Restraining Order, Injunction and/or Default obtained by your office in the above matter. Mr. Ward advised Steve when he was initially served with the papers that there would be no action taken to enforce any order or judgment that might be obtained so long as the buy-sell agreement was moving forward, and that Ford Motor Credit was simply protecting its interests in the event the buy-sell agreement with Capitol Expressway Ford was not consummated.

Contrary to Mr. Lewis's understanding Ford Motor Credit obtained a default and obtained the Writ of Possession and Temporary Restraining Order, serving it on Steve Lewis last week. Mr. Lewis had contact again with Mr. Ward late last week and discussions occurred in which Mr. Lewis advised Mr. Ward that the agreement was close to being signed and that this most recent action by Ford Motor Credit, contrary to what had been earlier represented, would require Mr. Lewis to incur the added expense of retaining counsel to take steps to set aside the default, etc.

Mr. Ward appeared to accept Mr. Lewis' assurance that things were moving forward on the buy-sell, and that continues to be the case. There are minor issues being finalized as this letter is being written and optimistically it is expected that the agreement will be signed this week.

Donald H. Cram, III, Esq.

August 8, 2007

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Based on this situation and Mr. Ward's prior representations, Mr. Lewis is not moving forward to set aside the Default or move for reconsideration of the orders entered at this time.

Should you have questions please do not hesitate to contact me.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "David J. Stock", written over the typed name.

DAVID J. STOCK

DJS

cc: Gary Vandeweghe

cc: Steve Lewis

Confirmation Report—Memory Send

Time : 08-08-2007 04:33pm
Tel line 1 : +14082939514
Name : RANKIN

Job number : 725
Date : 08-08 04:30pm
To : 14159560439
Document Pages : 002
Start time : 08-08 04:32pm
End time : 08-08 04:33pm
Pages sent : 002
Status : OK

Job number : 725

*** SEND SUCCESSFUL ***

MICHAEL C. SERVERIAN
DAVID J. STOCK
JON A. HEABERLIN
MICHELLE C. TING

LAW OFFICES
**RANKIN, LANDSNESS, LAHDE,
SERVERIAN & STOCK**
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MAURICE J. RANKIN (1888-1975)
G. DAVID LANDSNESS (1944-1992)

BERNARD P. LAHDE (Ret.)

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939 LAUREL STREET, SUITE D
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One Embarcadero Center, 26th floor
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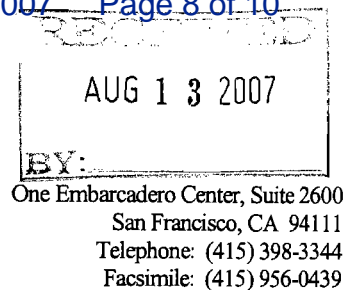
Mr. Ward appeared to accept Mr. Lewis' assurance that things were moving forward on the buy-sell, and that continues to be the case. There are minor issues being finalized as this letter is being written and optimistically it is expected that the agreement will be signed this week.

Exhibit B

Severson & Werson

A Professional Corporation

Donald H. Cram
Associate
Direct Line: (415) 677-5536
dhc@severson.com



August 9, 2007

VIA FACSIMILE ORIGINAL VIA FIRST CLASS MAIL

David J. Stock, Esq.
Rankin, Landsness, Lahde, Serverian & Stock
96 North Third Street, Suite 500
San Jose, CA 95112-5572

LOGGED _____
FILE _____
RETURN _____
DIARY _____
CALENDAR _____
SEE ME _____
RETURN W/FILE _____
TO GO _____

Re: *Ford Motor Credit Company, LLC v. Lewis Family Enterprises, Inc., et al.*
Case No. C 07-03301 JW

Dear Mr. Stock:

I am responding to your letter dated August 8, 2007 regarding the default and orders entered in this case. I disagree with your account of the representations made to Mr. Lewis as "memorialized" in your letter.

While Ford Motor Credit Company, LLC ("Ford Credit") was willing to evaluate and consider any bona fide buy-sell agreement, no such agreement ever materialized. Ford Credit has repeatedly requested that Mr. Lewis voluntarily surrender the collateral to Ford Credit so as to eliminate the expense of having to litigate to enforce its contractual rights. Mr. Lewis has been unresponsive to these requests.

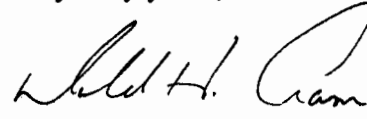
During the course of this litigation, I have personally communicated with Mr. Lewis a number of times, forwarding all pleadings and Court orders to Mr. Lewis electronically. In each instance, I have requested that either he or his counsel contact me. Your letter is the first response I have received since my initial communication with Mr. Lewis on June 26, 2007.

Please understand that Ford Credit is in the process of and will continue to enforce its contractual rights including obtaining possession of its collateral. The Court issued a Writ of Possession on August 6, 2007, and Ford Credit will seek execution of this Writ by the U.S. Marshals Service.

David J. Stock, Esq.
August 9, 2007
Page 2

In light of the forgoing, I will renew Ford Credit's request that Mr. Lewis execute a Voluntary Surrender so as to permit Ford Credit to regain possession of its collateral without incurring additional expense. Please contact me in this regard.

Very truly yours,

A handwritten signature in black ink, appearing to read "Donald H. Cram", written in a cursive style.

Donald H. Cram

DHC:dc

cc: Anita L. Whisnant, Esq.
Duane M. Geck, Esq.

***** -COMM. J NAL- ***** DATE AUG-09-2L ***** TIME 11:01 *** P.01

MODE = MEMORY TRANSMISSION

START=AUG-09 10:59

END=AUG-09 11:01

FILE NO.= 165

STN NO.	COM	ABBR NO.	STATION NAME/TEL.NO.	PAGES	DURATION
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-SEVERSON

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- ***** -

- *****

Donald H. Cram
Associate
Direct Line: (415) 677-5536
dhc@severson.com

**Severson
& Werson**
A Professional Corporation

One Embarcadero Center, Suite 2600
San Francisco, CA 94111
Telephone: (415) 398-3344
Facsimile: (415) 956-0439

FACSIMILE TRANSMISSION COVER SHEET

IF YOU DO NOT RECEIVE 3 PAGE(S) (INCLUDING COVER SHEET)
PLEASE CALL Donald H. Cram AT THE NUMBER LISTED ABOVE.

DATE: August 9, 2007TIME: 11:00 AMSent By: Marcella Yee

TO:	David J. Stock, Esq.	<u>FAX #</u> 408-293-9514	<u>PHONE #</u> 408-293-0463
FROM:	Donald H. Cram		
RE:	Ford Motor Credit Company, LLC vs. Lewis Family Enterprises, Inc., et al. USDC – Northern District of California Case Number: C 07-03301 JW		

CLIENT NAME/NUMBER: 10872-0122
SENDER'S ID NUMBER: 9123

Attached please find a letter dated August 9, 2007 pertaining to the above mentioned case.

If you have any questions or comments, please do not hesitate to contact Donald H. Cram @ (415) 677-5536 or dhc@severson.com.

Thank You

The information contained in this facsimile message is ATTORNEY/CLIENT PRIVILEGED AND CONFIDENTIAL INFORMATION intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us at the above address via mail. Thank you.